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Message Text

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ACTION EUR-25

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03

NSAE-00 NSC-10 PA-04 RSC-01 PRS-01 SPC-03 SS-20

USIA-15 ACDA-19 IO-14 COME-00 EB-11 LAB-06 SIL-01

SCEM-02 INT-08 SCI-06 TRSE-00 DRC-01 /171 W
---------- 068474
R 232026Z NOV 73
FM AMEMBASSY LONDON
TO SECSTATE WASHDC 5798
INFO AMEMBASSY BONN
AMEMBASSY BRUSSELS
AMEMBASSY COPENHAGEN
AMEMBASSY DUBLIN
AMEMBASSY THE HAGUE
AMEMBASSY LUXEMBOURG
AMEMBASSY PARIS
AMEMBASSY ROME
USMISSION EC BRUSSELS
USMISSION OECD PARIS

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E.O. 11652: N/A
TAGS: ELAB, UK, PINT
SUBJECT: HEATH REACTS SHARPLY TO MINERS' DECISION

REF: LONDON 13638 (NOTAL)

1. BEGIN SUMMARY: THE DECISION OF THE NATIONAL UNION OF MINERS TO CONTINUE THEIR OVERTIME BAN (REFTEL) HAS PROMPTED THE PRIME MINISTER TO CHARGE THAT THE MINERS ARE NOT ONLY CONFRONTING THE GOVERNMENT BY THEIR ACTION BUT ALSO THE
ELECTED REPRESENTATIVES OF THE PEOPLE. THE SITUATION IS STRONGLY DEADLOCKED, AND OPTIONS FOR SETTLEMENT OF
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THE DISPUTE ARE DECREASING AS COAL STOCKS ARE FURTHER

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DEPLETED. THERE IS SOME PRESS SPECULATION ABOUT A POSSIBLE SNAP ELECTION, BUT BOTH PARTIES APPEAR VERY WARY OF THAT DEVELOPMENT. MEANWHILE, AN ANCILLARY STRIKE OF POWER GENERATING ENGINEERS FURTHER COMPLICATES THE OVERALL ENERGY CRISIS. END SUMMARY

2. THE REJECTION BY THE MINERS ON WEDNESDAY (NOV. 21) OF THE NATIONAL COAL BOARD'S LAST OFFER TO RESOLVE THE DISPUTE (REFTEL) HAS NOW CREATED A STATE OF ALMOST COMPLETE DEADLOCK. BOTH COAL BOARD AND NUM REPRESENTATIVES HAVE ACKNOWLEDGED TO US THAT THIS OFFER CANNOT BE SUBSTANTIALLY IMPROVED (ALTHOUGH ELEMENTS OF IT CAN BE REARRANGED) WITHOUT BREAKING THROUGH THE RESTRAINTS OF PAY REGULATIONS OF STAGE THREE.

3. PRIME MINISTER HEATH, IN A TV BROADCAST LAST NIGHT (NOVEMBER 22) SAID THAT THE NUM, BY ITS DECISION, WAS CONFRONTING NOT ONLY THE GOVERNMENT BUT THE ELECTED

REPRESENTATIVES OF THE PEOPLE IN PARLIAMENT. HEATH SAID THIS WAS A SITUATION QUITE DIFFERENT FROM THE 1972 DISPUTE IN THE COAL INDUSTRY, I.E., THERE IS NOW LEGISLATED PAY AND PRICE CONTROLS. THE PRIME MINISTER DESCRIBED THE COAL BOARD'S OFFER AS "A JUST AND INDEED A GENEROUS PROPOSAL." HE SAID THE MINERS STOOD TO GAIN MORE THAN MOST OTHER GROUPS OF WORKERS FROM THE STAGE THREE INFLATION POLICY.

4. THE DECISION BY THE MINERS EXECUTIVE COMMITTEE WAS UNANIMOUS IN REJECTING THE NCB OFFER, THUS CONTINUING THE OVERTIME WORK BAN. THE EXECUTIVE COMMITTEE DID NOT VOTE ON THE VERY VITAL ISSUE OF PUTTING THE OFFER TO A SECRET BALLOT VOTE OF THE MINERS, WHICH WOULD TAKE THREE WEEKS TO CONDUCT (REFTEL). THE NEXT FORMAL OPPORTUNITY TO TAKE UP THE OFFER AND THE QUESTION OF A SECRET BALLOT WILL BE ON DECEMBER 13, WHEN THE EXECUTIVE COMMITTEE NEXT MEETS. IN THE MEANWHILE DISCUSSIONS BETWEEN THE MINERS AND THE COAL BOARD HAVE LIMITED OFFICIAL USE

BEEN HALTED.

5. JOE GORMLEY, NUM PRESIDENT, TOLD THE EMBASSY LABOR ATTACHE THAT HE WOULD LIKE THE MATTER TO GO TO A SECRET BALLOT AS SOON AS POSSIBLE, BUT HE INDICATED THAT HE WAS OPPOSED BY 13-14 MEMBERS OF THE "OPPOSITION" ON THE NUM'S 27-MAN EXECUTIVE. HE MADE IT CLEAR THAT HE WAS AWARE OF THE POLITICAL DANGER TO THE LABOR PARTY

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ARISING OUT OF A "SNAP" ELECTION, WHICH SOME JOURNALISTS ARE CURRENTLY SUGGESTING AS A POSSIBILITY IF THINGS COME TO THE CRUNCH. HE HOPES THAT THE NUM, "THE ENTIRE EXECUTIVE COMMITTEE AND NOT JUST A PART OF THEM," CAN MEET WITH THE PRIME MINISTER EARLY NEXT WEEK, FOLLOWING WHICH HE WOULD LIKE TO CONVENE A SPECIAL EXECUTIVE COMMITTEE MEETING TO DISCUSS FURTHER STEPS. (ANOTHER EXECUTIVE COMMITTEE MEMBER WHO WAS PRESENT DURING THIS CONVERSATION ACKNOWLEDGED THAT PUBLIC SYMPATHY FOR THE MINERS HAS CONSIDERABLY DIMINISHED, IN CONTRAST TO 1972, BECAUSE OF THE OVERALL FUEL CRISIS FACED BY THE COUNTRY.)

6. AN OFFICIAL OF THE COAL BOARD TOLD US THAT DURING

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THE FIRST WEEK OF THE OVERTIME BAN, ABOUT 20-25 PERCENT OF COAL PRODUCTION WAS LOST. THIS PAST MONDAY, AFTER A WEEKEND WHEN MAINTENANCE AND SAFETY WORK WAS NOT PERFORMED, HE SAID THERE WAS A 40 PERCENT REDUCTION, ALTHOUGH LOSSES WERE SMALLER LATER IN THE WEEK. HOWEVER, HE SEES A CONTINUAL AND CUMULATIVE DECREASE IN PRODUCTION AS MAINTENANCE AND SAFETY WORK PILE UP AND PITS CANNOT BE WORKED.

7. THE NCB OFFICIAL SAID THE BOARD'S OFFER IS THE MAXIMUM ALLOWABLE UNDER STAGE THREE. HE DESCRIBED THE SITUATION AS "AN IMMOVABLE FORCE (THE NUM) MEETING AN IRRESTIBLE OBJECT (THE PRIME MINISTER)."
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HE SPECULATED THAT THERE WERE FEW OPTIONS OPEN TO THE GOVERNMENT: IT COULD ESTABLISH ANOTHER COMMITTEE OF INQUIRY OR IT COULD LEGALLY ORDER A SECRET BALLOT BY THE MINERS ON THE COAL BOARD'S OFFER (THE LATTER COURSE, HE ADDED, WAS ONE THE GOVERNMENT WAS VERY UNLIKELY TO TAKE.) THE ENTIRE MATTER, HE CONCLUDES, IS NOW A "POLITICAL QUESTION."
8. A RELATED ENERGY DISPUTE BETWEEN THE ELECTRICAL POWER ENGINEERS AND THE CENTRAL ELECTRICITY GENERATING BOARD IS STILL UNRESOLVED, ALTHOUGH FURTHER TALKS ARE PLANNED FOR NEXT WEEK. IT IS LIKELY THAT THE POWER ENGINEERS ARE "DRAGGING THEIR FEET" UNTIL THE MINERS' DISPUTE IS RESOLVED. THE EFFECT OF THEIR REFUSAL TO WORK "OUT OF HOURS" HAS NOT YET HAD A SERIOUS DEBILITATING EFFECT ON POWER GENERATION, ALTHOUGH THERE HAVE BEEN SOME POWER CUTBACKS.

9. COMMENT: THE DECISION OF THE MINERS TO EXTEND THE OVERTIME BAN AND TO ESCHEW A SECRET BALLOT HAS CLEARLY CREATED A CLIMATE OF CHALLENGE TO THE WHOLE STRUCTURE OF STAGE THREE. SEVERAL TRADE UNION OFFICIALS HAVE INDICATED TO US THAT MANY OTHER UNIONS ARE WATCHING THE RESULTS OF THIS PARTICULAR DISPUTE WITH CONSIDERABLE INTEREST. THEY REASON THAT IF THE NUM BREAKS THE BARRIERS OF STAGE THREE, THE GOVERNMENT'S COUNTER-INFLATION POLICIES WILL BE A SHAMBLES. THE TOUGH INITIAL RESPONSE BY THE PRIME MINISTER SUPPORTS THIS VIEW. A NUMBER OF NEWSPAPER ARTICLES ARE ALSO SUGGESTING THAT IMPLICIT IN HEATH'S TOUGH REACTION IS THE HINT HE MAY WISH TO CALL A SNAP ELECTION IN DEFENSE OF HIS COUNTER-INFLATION PROGRAM.

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10. IT CONTINUES TO BE OUR BELIEF THAT NEITHER OF THE TWO MAJOR PARTIES WISHES TO GO TO THE ELECTORATE AT THIS TIME. (IN A TELEVISION INTERVIEW LAST NIGHT, HAROLD WILSON, WHILE LENDING SOME SUPPORT TO THE MINERS' CLAIM FOR SPECIAL CONSIDERATION, WAS CAREFUL TO ADD THAT "THE LAST THING THE MINERS WANT IS AN OVERTIME BAN OR A STRIKE.") HOWEVER, EVEN THOUGH SOME NUM LEADERS--INCLUDING PERHAPS GORMLEY HIMSELF--MAY BE PRIVATELY INTERESTED IN AN EARLY SETTLEMENT, THE SITUATION IS
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RAPIDLY MOVING TOWARD A POINT OF NO RETURN. THE LONGER THE OVERTIME BAN CONTINUES THE GREATER IS THE POSSIBILITY THAT THE MINERS, WHEN FINALLY BALLOTED, WILL VOTE FOR A STRIKE--AS TENSIONS AND MILITANCY INCREASE IN THE COAL FIELDS.

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